THE CANADIAN WHEAT BOARD

REPORT TO PRODUCERS
ON THE
1985-86 CROP YEAR

The cover is a montage of stamps depicting agricultural scenes in some of Canada's major grain customer countries.

INTRODUCTION

This report reviews the factors that influenced the sale and price of our 1985 crop. As in previous years, we will mention some of the basic world supply and demand factors — production in Canada and other countries, world trade, and so on. These factors still have some influence on the sale and price of our grain. But in the 1985-86 crop year they become secondary. It was a year when government policies, not economics, played the dominant role in the world grain market.

It is understandable that no government wants to leave food supply entirely to the vagaries of weather and the free market. Freedom from hunger is the most basic of human rights. Food production must always be on the basis of ensuring some surplus to provide buffer supplies in times of need. But in some countries, government policies to encourage such production have failed to include reasonable provisions for the inevitable surplus that results. The 1985-86 crop year will be remembered for an ever-worsening series of political moves designed to dump surplus grain. These moves were made only to solve domestic political problems. They were made without regard to basic economics, to customer requirements, or to good relations with neighbours.

Price impacts from this heavily subsidized competition were so severe that the Board's largest pool accounts, wheat and barley, ended in deficit. Results of the wheat pool were additionally distorted because surpluses in some grades were diluted by reduced returns in others.

These results, which came after another difficult year for growing and harvesting the Prairie crop, will make 1985-86 a year that many farmers would just as soon forget. But it was not without bright spots. As the year ended, farm carryovers on the Canadian Prairies were at very low levels.

This is a noteworthy accomplishment at a time when grain importers have an opportunity to buy grain from any supplier at virtually any time they wish. Western Canada's emphasis on quality, consistency, reliability, and sound business practices has clearly paid off. Although the price is not where we would like it to be, Prairie grain growers at least have the satisfaction of seeing their product move to market, and the knowledge that Canada has a solid base of customer support.

The financial statements in this report are the same as those in our full Annual Report. However, considerably more detail is available in the full report. If you would like a copy, please write to our Information Department at the address below.

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On peut se procurer, sur demande, le texte français du rapport annuel dans sa version complète auprès du Service de l'information de la Commission canadienne du Blé.

THE 1985 WORLD CROP

Total world grain production (wheat, coarse grains, and rice) was a record 1 820.6 million tonnes, slightly higher than the 1984 crop. While wheat production was down from the 1984 record, coarse grain output rose sharply for the second year in a row. Rice production remained about the same.

TABLE 1
WORLD GRAIN PRODUCTION

	Wheat	Rice	Coarse Grains	All Grains
		(Millions of Tonnes)		
1976	425.0	349.9	712.4	1487.3
1977	386.4	369.7	717.0	1473.1
1978	451.0	387.1	763.0	1601.1
1979	428.8	377.0	744.2	1550.0
1980	445.3	399.2	732.7	1577.2
1981	453.4	411.5	767.4	1632.3
1982	482.1	423.3	781.6	1687.0
1983	495.4	450.4	691.6	1637.4
1984	516.7	471.1	810.8	1798.6
1985[1]	503.6	471.0	846.0	1820.6

[1]Preliminary — Subject to Revision
Source: IWC World Wheat Statistics and IWC Market Report February, 1987

Wheat

World wheat production in 1985 totaled 504 million tonnes, down from the 1984 record of 517 million tonnes, but still more than sufficient for the world's needs. With a production of 85.5 million tonnes, China was again the world's top wheat producer, followed closely by the Soviet Union at 78.1 million tonnes.

The biggest production change from the previous year was in Western Europe, where the wheat harvest dropped by 13 per cent from the very large crop in 1984. Nevertheless, this crop plus carryover from 1984 left the European Community (EC) with large supplies for export. The same was true in the U.S. Production was down five million tonnes, but surpluses continued to build.

Other exporters had smaller crops in 1985. Argentine wheat production fell sharply in 1985, totaling only 8.5 million tonnes compared to 13.6 million in 1984. Australian production, at 16.1 million tonnes, was down about 2.5 million tonnes.

Parts of Western Canada suffered a second year of drought, and wheat production, while up from 1984, was still disappointing.

Durum

World durum production is relatively small — about five per cent of total wheat output — and is concentrated in only a few countries. Production in 1985 was up slightly, to 24.6 million tonnes. Crops were generally good in importing countries in the Middle East and North Africa. Canada and the U.S. are the major exporters. Canadian production was again poor because of drought, which was particularly severe in the southern Prairies. U.S. production was up slightly.

Coarse Grains

In 1984, world coarse grain (corn, barley, oats, sorghum, rye and mixed grains) reached a record, breaking the 800-million-tonne mark. In 1985, the record was again shattered, with a total output of 846 million tonnes.

The U.S. corn crop accounted for much of the increase, as did coarse grain production in the Soviet Union, which was up by about nine million tonnes. The EC, Canada's biggest competitor in the world barley market, grew another big crop. At 41 million tonnes, it was almost four times larger than Western Canada's barley crop, which was bigger than 1984, but still disappointing because of drought in Alberta.

Australian production was 8.0 million tonnes, down almost a million tonnes from 1984.

WORLD TRADE IN 1985-86

Analysis of trends in world wheat and coarse grain trade almost requires that the market be separated into two categories — the Soviet Union and all others. If the Soviet Union is removed from supply/demand tables, world trade looks very stable. But yearly changes in Soviet imports can have a profound effect on the whole market.

The 1985-86 year was a good example. World wheat trade in 1984-85 was over 104 million tonnes. In 1985-86, it fell by almost 18 million tonnes, of which over 11 million was due to the drop in Soviet imports. Coarse grain trade, at 83.6 million, was down 18 million tonnes. Of that drop, over 15 million tonnes was in Soviet purchases.

One's view of the level of wheat and coarse grain trade in 1985-86 partly depends on whether that view is short or long term. These world trade figures are surprisingly close to those projected by the Wheat Board in the mid-seventies. These projections were used as the basis for the 30-million-tonne export target. At that time, world trade was much lower, and the Board's projections were regarded as highly optimistic.

As it turned out, sharp increases in trade in the late-seventies and early-eighties brought both wheat and coarse grain trade to over 100 million tonnes, far in excess of any projections. An optimist would say that 100 million tonnes represents a short-term blip in the trend of world trade growth, and that the 1985-86 figures represent a return to normal, but still healthy levels. The pessimist might regard 100 million tonnes as normal, and the 1985-86 trade levels as a severe setback, setting the trend for a dismal future.

Unfortunately, the buoyant seventies and early eighties created unreasonable expectations particularly in the U.S. and EC. The U.S. launched a series of desperate moves in an attempt to return to the boom years of the early 1980s. These moves were based on the premise that lower prices would stimulate demand for U.S. grain. The record shows that these policies were, if anything, counterproductive. U.S. wheat exports fell by 34 per cent from 1984-85. The U.S. also absorbed most of the drop in world coarse grain sales.

EC wheat exports dropped by 2.4 million tonnes, largely because of lower demand, and competition from other exporters. Wheat exports also fell in Canada and Argentina, mainly because of poor crops in both countries. Only Australia increased wheat exports in 1985-86.

World barley trade in 1985-86 was 18.6 million tonnes, up 0.3 million from the previous year. Canadian exports, at 3.6 million tonnes, were about a million tonnes up from 1984-85, but were still relatively low because of the poor 1985 crop.

Durum trade, at 3.4 million tonnes, was up slightly because of lower demand in importing countries. While still low in comparison to the U.S. and Canada (about 1.4 million tonnes each), EEC durum exports more than quadrupled to 490 000 tonnes.

TABLE 2
MAJOR GRAIN EXPORTERS
IN 1985-86[1]

	Wheat and Wheat Flour	Bulk Coarse Grains[4]
	(Millions of Tonnes)	
Argentina	6.1	9.7
Australia	16.0	5.1
Canada	17.7	4.4
E.E.C.[2 3]	15.5	8.0
United States	25.0	36.6
Others	4.7	19.8
World Total	85.0	83.6

[1]Preliminary — Subject To Revision
[2]Twelve Member States
[3]Excluding EEC Intra-Trade
[4]Includes Rye, Barley, Corn, Sorghum & Mixed Grains
Source: Statistics Canada and Canadian Grain Commission (Aug.-July crop year)
USDA Foreign Agriculture Circular December, 1986

WORLD PRICES

With higher supplies and lower demand during the year, some downward pressure was certainly expected on both wheat and coarse grain prices. But by the end of the year, prices bore no relationship whatsoever to true supply and demand. They were simply a measure of policy decisions in Washington and Brussels.

The most infamous feature of 1985-86 was BICEP, an acronym for the U.S. "Bonus Incentive Commodity Export Program". The simplest explanation of this program is "Buy two, and get one free". In this case, the free bonus was surplus stocks held by the U.S. government.

BICEP's name was later toned down to EEP, for "Export Enhancement Program", but the program itself was not. When first introduced, it was said that BICEP was intended for "target" markets, mainly where the U.S. felt it had been displaced by unfair competition from the EC. Non-subsidizing exporters such as Canada and Australia were supposed to be protected from the program. BICEP was also supposed to provide "additionality", or business that would not have been there without the lower prices.

From the beginning, other exporters viewed these intentions with some skepticism. BICEP in effect created two classes of customers — those receiving lower prices and those that didn't. However, the lower prices were being offered to customers who were not traditionally buyers of U.S. grain. The more loyal and consistent customers who had been buying on commercial term were asked to pay the higher price.

Traditional U.S. customers, including the Soviet Union, reacted as expected and complained about their second class status. In some cases, they showed their displeasure by refusing to buy U.S.

grain. While this may have increased sales opportunities for other exporters, any volume benefit was offset by the ever-declining price. The loss of business made the U.S. Administration even more desperate, and it began to expand BICEP far beyond its original stated intentions.

One of the first signs was a November 1985 sale of 100 000 tonnes of flour to the Philippines. "Additionality" was not a factor — up until that time the Philippines had virtually been a captive U.S. market. None of the other exporters, including the EC, had been able to make a dent in it. Yet the U.S. government offered a bonus equivalent to Cdn.$120.00 per tonne in order to do the business. That figure now looks relatively low, with recent durum semolina (flour) bonuses to Algeria at U.S.$240.00 (Cdn.$321.00) per tonne.

As the year went on, BICEP was offered to more and more countries, not all of them markets that had been lost to the EC. Lip service to protecting non-subsidizing exporters virtually disappeared. By August 1985, BICEP had become virtually a blanket subsidy, with a bonus of U.S.$13.00 (later $15.00) per tonne being offered to the Soviet Union. As bonuses on bulk wheat to other countries had been averaging over U.S.$30.00 per tonne, the Soviet Union continued to insist it was not being treated fairly, and continued to refuse to buy U.S. wheat.

The effects of BICEP were especially severe on barley. On May 7, the U.S. announced that it would make available 500 000 tonnes of barley to Saudi Arabia. Rapid increases in Saudi demand have made it the world's, and Canada's, largest barley market. But until May 1985, very little U.S. barley had ever been sold there.

The U.S. manoeuvres in Saudi Arabia provided a classic example of the futility of a trade war. Within five days, the EEC announced it would release an additional 440 000 tonnes of barley for export, with 330 000 tonnes specified for Saudi Arabia. The price was dropped by up to U.S.$10.00 per tonne from previous levels.

These moves and countermoves brought the price of barley down to around U.S.$60.00 (Cdn.$80.00 at current rates), landed in the Middle East. This works out to less than Cdn.$50.00 per tonne, basis Thunder Bay. The result of these unprecedented declines, which inevitably extended to all markets, was a $171.4 million deficit in the 1985-86 barley account.

Although the wheat pool did not suffer such large losses overall, some growers felt the effect more than others. Deficits on grades within a pool are rare, but when they occur, they must be made up by surpluses in others. The deficit in the wheat account overall was just under $23 million, but an additional $54.3 million came from surpluses in high grade red spring wheat and soft white spring wheat. Prices on these grades were firmer than for grades such as No. 3 CW Red Spring, Canada Feed wheat, Winter wheat, and Canada Prairie Spring wheat. All these grades returned less than initial payments plus marketing costs.

The only relatively bright spots for price during 1985-86 were for the durum, designated barley and oats pools. Durum prices were more stable because of limited supplies in the two major exporting countries, Canada and the U.S. The designated pools benefited from stronger domestic markets for high quality malting barley and milling oats.

THE 1985 PRAIRIE GRAIN CROP

Depending on where you farm on the Prairies, you may remember 1985 as the year with a little bit of everything. Perhaps the main feature of the growing season was the second severe drought in a row, particularly in southern Alberta and Saskatchewan, and in the Peace River area. Parts of the southern drought areas had severe grasshopper infestation.

On the other hand, the eastern Prairies received good and timely rainfall. Manitoba and eastern Saskatchewan had record yields.

But rains became widespread in early August, continuing into October in many areas. Harvest was very difficult, and grades fell

A very light barley crop from a drought-affected field in Alberta.

TABLE 3
1985[1] PRAIRIE YIELDS & PRODUCTION

	Alberta				Saskatchewan			
	Yield		Production		Yield		Production	
	1985 (Bus. per Acre)	10-Year Average 1975-84	1985 (Mln. Tonnes)	10-Year Average 1975-84	1985 (Bus. per Acre)	10-Year Average 1975-84	1985 (Mln. Tonnes)	10-Year Average 1975-84
Wheat	23.6	30.2	4.8	4.9	22.9	26.6	12.9	13.0
Barley	41.7	46.1	4.8	5.5	47.7	41.2	3.6	2.9
Oats	52.5	58.4	1.0	1.3	47.8	48.1	.7	.9
Rye	22.3	30.6	.1	.2	20.3	24.8	.2	.2
Flaxseed	13.8	18.0	—	.1	17.7	16.1	.3	.2
Rapeseed	19.6	20.6	1.2	1.0	23.4	21.9	1.5	1.0
Total Production	—	—	11.9	13.0	—	—	19.2	18.2

	Manitoba				Total Prairies			
	Yield		Production		Yield		Production	
	1985 (Bus. per Acre)	10-Year Average 1975-1984	1985 (Mln. Tonnes)	10-Year Average 1975-84	1985 (Bus. per Acre)	10-Year Average 1975-84	1985 (Mln. Tonnes)	10-Year Average 1975-84
Wheat	40.0	28.4	5.2	2.9	25.5	27.6	23.0	20.9
Barley	62.7	44.1	2.5	1.8	47.0	44.2	11.1	10.3
Oats	62.5	49.8	.6	.6	53.3	53.1	2.2	2.8
Rye	33.8	29.9	.2	.1	24.2	27.9	.5	.6
Flaxseed	21.0	14.7	.5	.3	19.4	15.4	.9	.5
Rapeseed	28.0	20.2	.6	.4	22.2	21.0	3.5	2.4
Total Production	—	—	9.6	6.1	—	—	41.2	37.5

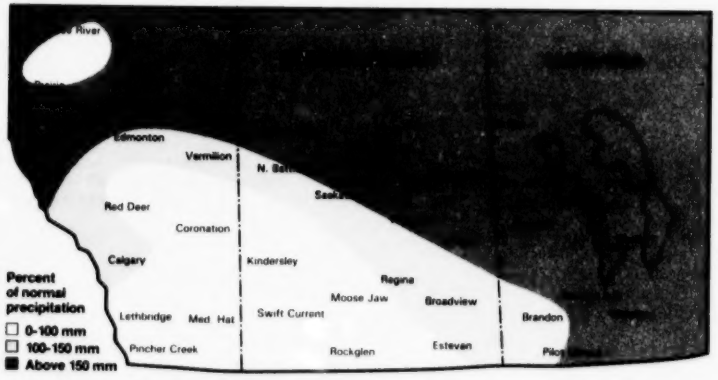
[1]Preliminary — Subject To Revision

well below average. Almost half the crop graded No. 3 CW or Canada Feed, compared to only 13 per cent the previous year. Supplies of quality barley were also well down.

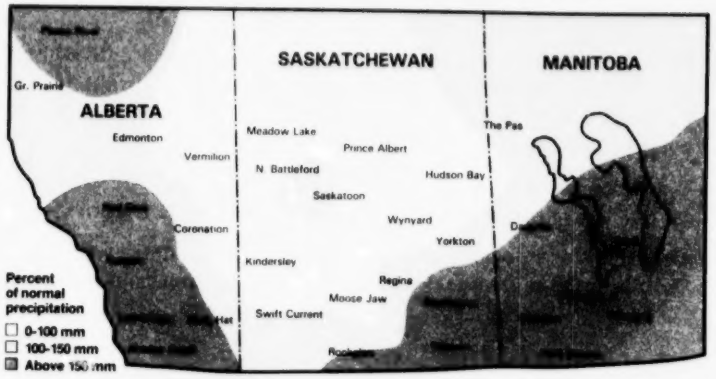
This was also true of overall barley quantities. The barley crop reached only 11.1 million tonnes. Although this was up from the drought-reduced crop of the year before, supplies for exports were limited compared to some of the previous crop years.

The poor harvest conditions also left farmers with large supplies of tough and damp grain.

ACCUMULATED PRECIPITATION FROM MAY 1 TO JULY 31, 1985



PERCENT OF NORMAL ACCUMULATED PRECIPITATION FROM AUGUST 1 TO SEPTEMBER 30, 1985



These two maps show how moisture arrived at the wrong time in 1985. The first shows actual precipitation from May 31 to July 31. Only the eastern Prairies received adequate moisture. The second map shows the percentage of normal precipitation from August 1 to the end of September. The widespread rains interfered with harvest in most areas.

SWEEPING OUT THE BINS

In the past, there has been a certain tendency, at least among some farmers, to hang on to a bin or two of grain "just in case". For whatever reason, these farmers liked to always have some grain on hand.

It's unlikely that there were very many such farmers left after this past July 31. Although reduced by drought, the 1985 crop was still larger than the very poor one in 1984. Exports ended about the same for both years. Accordingly, overall carryover was up, but was still relatively low compared to previous years.

But the prospect of initial price drops of up to $36.00 per tonne for the upcoming crop year, and the likelihood of an upcoming record

crop, prompted most farmers to attempt to deliver every kernel. Although overall carryover was up, the on-farm portion was down to rock-bottom.

This was not an easy accomplishment. With the exception of high-grade wheat and durum, which were in relatively short supply, wheat quotas were tight until late in the year. The same was true of barley. Until relatively late in the crop year, it looked like farmers would be left with carryovers of No. 3 CWRS, Canada Feed wheat, and barley.

However, the Board was successful in making sales late in the year, particularly for feed wheat and barley. Quotas for all grades except No. 3 CWRS, Canada Feed wheat, and barley were terminated at the end of June, leaving July to concentrate on bringing in these three.

It was a tight squeeze. From May onward, after announcement of impending initial price drops of up to $36.00 per tonne, the elevator system was flooded with deliveries of all types of grain. Although quotas on Nos. 1 and 2 CWRS had been relatively large since early in the crop year, deliveries of these grades poured in after May. There were several reports of delivery of five, six, and even 10-year old grain. Deliveries of high-grade wheat were over a million tonnes higher than Wheat Board and elevator company expectations.

Throughout the year, deliveries of all except top-grade wheat and durum had to be restricted to straight grades only. Terminal drying capacity could not keep up with the record quantities of tough and damp grain, and on-farm dryers worked steadily through much of the year.

TRANSPORTATION AND HANDLING

The main physical disruption of the year was the collapse in October of Lock 7 in the Welland Canal. This stopped St. Lawrence Seaway shipments for about three weeks.

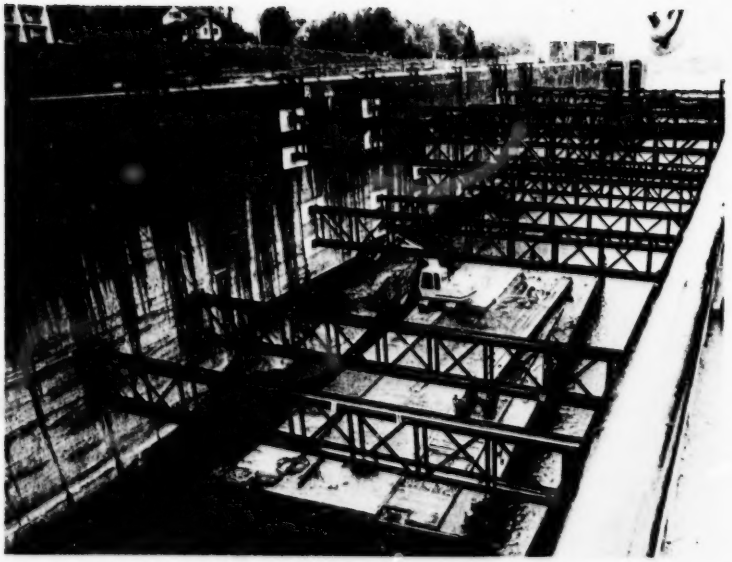
Although the Welland Canal shutdown received considerable publicity, the handling system through the Seaway demonstrated its tremendous surge capacity in recovering from the delay. The Board's St. Lawrence export program was current by the end of the navigation season.

Over the same period, the West Coast suffered from a series of delays which, although minor, in combination kept a number of vessels waiting from mid-October into February. One major problem was February's tragic passenger/freight collison at Hinton, Alberta. This accident, combined with a smaller

TABLE 4
DELIVERIES, SHIPMENTS AND EXPORTS OF WESTERN CANADIAN GRAIN

	Producer Deliveries		Elevator Shipments		Exports[2]	
	1985-86[1]	1984-85	1985-86[1]	1984-85	1985-86[1]	1984-85
	(Thousands of Tonnes)					
Wheat	19 277	16 398	17 481	17 802	16 285	15 717
Durum	1 691	1 784	1 438	1 933	1 405	1 826
Oats	320	314	235	303	44	19
Barley	6 435	5 077	5 859	4 552	3 794	2 781
Rye	239	331	283	347	234	375
Flaxseed	689	533	557	489	599	563
Rapeseed	2 926	2 384	1 616	1 757	2 365	2 590
Total	31 577	27 421	27 469	27 183	24 726	23 871

[1]Preliminary — Subject To Revision
[2]Includes Products
Source: Statistics Canada & Canadian Grain Commission



Lake vessel shipments of grain to the St. Lawrence come to an abrupt halt on October 14, 1985, when this segment of the wall at Lock 7 of the Welland Canal caved in.

derailment at Langley, slow deliveries, and cold weather across the Prairies and through the mountains, forced the Board to haul barley from Thunder Bay to the West Coast.

There were no major labour/management disputes during the year, but the threat of a dispute kept the new terminal at Prince Rupert from working more than one shift, keeping West Coast shipments lower than they might have been.

One of the main reasons that the West Coast program was susceptible to delay was the fact that the Board was selling at close to capacity. The Board continued to maximize the less cost intensive West Coast route, to avoid transhipment costs from Thunder Bay to the St. Lawrence.

TABLE 5
SUPPLY AND DISPOSITION OF CANADIAN WHEAT, OATS AND BARLEY

	WHEAT (including Durum)		**OATS**		**BARLEY**	
	1984-85	**1985-86[1]**	**1984-85**	**1985-86[1]**	**1984-85**	**1985-86[1]**
	(Thousands of Tonnes)					
Inward Carryover August 1						
On Farms	1 735	1 080	570	495	1 080	865
-In Commercial Facilities	7 455	6 518	125	124	891	1 291
Production	21 199	24 252	2 670	2 997	10 296	12 443
Total Supply	**30 389**	**31 850**	**3 365**	**3 616**	**12 267**	**14 599**
On Farm Use	2 914	2 963	2 431	2 537	5 434	5 778
Comm. Use	2 294	2 724	296	229	1 896	1 722
Exports	17 583	17 691	19	44	2 781	3 795
Total Use	**22 791**	**23 378**	**2 746**	**2 810**	**10 111**	**11 295**
Outward Carry-over July 31	7 598	8 472	619	806	2 156	3 304

[1]Subject To Revision
Source: Statistics Canada

EXPORTS BY GRAIN

Wheat and Wheat Products

Canadian wheat exports (including durum), at 17.7 million tonnes, were virtually the same as in 1984-85. As shown in Table 6, individual purchases by the main customers were little changed from the previous year, with the exception of the Soviet Union, which reduced purchases by 800 000 tonnes. This was offset by increases to a number of smaller customers.

Exports might have been higher had supplies of higher quality wheat been available earlier in the crop year. Overall wheat carryover was up from 1984-85, but the increase was mainly in No. 3 CWRS. This grade was competing against subsidized U.S. and EC wheat, and sales for it were more difficult to find.

TABLE 6
CANADIAN WHEAT (INCLUDING DURUM) AND WHEAT FLOUR EXPORTS TO MAJOR MARKETS

	1985-86[1]	1984-85	1983-84
	(Thousands of Tonnes)		
U.S.S.R.	5 219	6 019	6 761
China	2 614	2 845	3 514
Japan	1 272	1 324	1 325
Cuba	1 137	779	1 053
Brazil	986	1 152	1 363
U.K.	702	633	955
Algeria	492	508	813
E.A.R.	482	468	686
Italy	367	240	742
Iraq	347	367	608
Venezuela	320	294	69
Others[2]	3 752	2 954	3 876
Total	17 690	17 583	21 765

[1]Preliminary — Subject To Revision
[2]Includes — Bagged Seed Exports
Source: Canadian Grain Commission for 1985-86
Previous Years — Statistics Canada

Durum Wheat

Durum exports dropped again in 1985-86. The durum-producing area of the southern Prairies was particularly hard hit by drought in both 1984 and 1985, and supplies, especially of higher grades, were severely limited.

TABLE 7
CANADIAN DURUM EXPORTS TO MAJOR MARKETS

	1985-86[1]	1984-85	1983-84
	(Thousands of Tonnes)		
Algeria	492	508	813
Italy	255	182	504
U.S.S.R.	254	533	555
Libya	108	103	93
Cuba	63	59	—
France	53	104	199
Venezuela	49	48	16
Japan	18	61	60
Others	88	228	306
Total	1 385	1 826	2 546

[1]Preliminary — Subject to Revision
Source: Canadian Grain Commission for 1985-86
Previous Years — Statistics Canada

Oats

Oats exports continued to be relatively small in 1985-86, but were up considerably in percentage terms. Exports reached 43 000 tonnes, compared to 18 000 in 1984-85. This was mainly because of demand for quality oats in the U.S.

Barley

Barley exports, at 3.8 million tonnes, were limited by supplies again in 1985-86, but were well up from the previous year. Table 8 shows the major customers. Saudi Arabia emerged as the largest customer during the year. Official figures in the table are slightly understated. Actual purchases are estimated at closer to a million tonnes. Saudi Arabia is now buying more barley in bulk. In previous years, most was purchased in bags. The official destination may have been shown as Belgium or Singapore, where the barley was bagged and reloaded for the Middle East.

Perhaps the most significant figure in the table is the 212 000 tonnes for China, which has purchased very little barley in the past. It's hoped this represents the beginning of a continued trend.

TABLE 8
CANADIAN BARLEY EXPORTS
TO MAJOR MARKETS

	1985-86[1]	1984-85	1983-84
	(Thousands of Tonnes)		
Saudi Arabia*	899	—	31
Japan	839	735	820
Germany, Peoples Rep. of	571	798	1 123
U.S.S.R.	439	410	472
China	212	—	26
Israel	145	187	256
Others	487	474	2 539
Bulk Grand Total	3 592	2 604	5 267
Malt	203	177	269
Grand Total	3 795	2 781	5 536

* Official statistics do not fully reflect imports. Previous to 1985-86, most Saudi barley imports were in bags, and were transhipped from Belgium & Singapore.

[1]Preliminary — Subject to Revision
Source: Canadian Grain Commission for 1985-86
Previous Years — Statistics Canada

FINANCIAL RESULTS

Details of the final operating results of the Board on the 1985-86 Pool Accounts for Wheat, Amber Durum Wheat, Oats, Designated Oats, Barley and Designated Barley are presented in this section of the report with commentary thereon.

POOL ACCOUNT — WHEAT

Initial Payments

During the crop year the Board was authorized to purchase wheat from producers at a fixed initial price of $160.00 per tonne for No. 1 Canada Western Red Spring.

Supplies of Wheat

Supplies of wheat in the 1985-86 Pool were 21 728 221 tonnes, comprised of 18 931 918 tonnes delivered by producers, 153 256 tonnes acquired from other than producers and 2 643 047 tonnes purchased from the previous pool.

Grade Pattern

Deliveries of grain to the 1985-86 Pool Account were of substantially lower quality compared with receipts in the previous pool. Deliveries of Nos. 1 and 2 Canada Western Red Spring totaled 9.659 million tonnes or 51.02 per cent of total receipts, while No. 3 Canada Western Red Spring receipts of 5.524 million tonnes amounted to 29.18 per cent of total receipts. Deliveries of Utility grades including Canada Feed amounted to 2.026 million tonnes or 10.70 per cent of total producer deliveries.

Approximately 19.32 per cent of producer deliveries graded tough while 3.92 per cent graded damp.

Final Statement of Operations — Wheat — Table A

Marketing operations on the Pool Account for Wheat resulted in a deficit of $22,994,777 which is recoverable from the Government of Canada with funds provided by Parliament. The total payment realized by producers is therefore equal to the initial payments as shown in Table B.

TABLE B

PAYMENT RECEIVED BY PRODUCERS FOR PRINCIPAL GRADES OF WHEAT BASIS IN STORE THUNDER BAY OR VANCOUVER

Grade	Initial Payments (dollars per tonne)
Red Spring Wheat Grades	
No. 1 Canada Western Red Spring	160.00
No. 2 Canada Western Red Spring	154.21
No. 3 Canada Western Red Spring	146.21
No. 1 Canada Utility	142.21
No. 2 Canada Utility	128.21
Canada Feed	121.00
No. 1 Canada Western Red Winter	145.21
No. 2 Canada Western Red Winter	143.21
No. 1 Canada Western Soft White Spring	132.00
No. 2 Canada Western Soft White Spring	129.00

OPERATING COSTS

Operating costs incurred applicable to the pool were $172,467,900 or $9.110 per tonne. Details of the principal costs and comment thereon follow:

TABLE A

STATEMENT OF OPERATIONS ON THE 1985-86 POOL ACCOUNT — WHEAT
For the period August 1, 1985 to November 30, 1986
with prior year figures for the 1984-85 Pool Account for comparison

	1985-86 Pool Account		1984-85 Pool Account	
Receipts from Producers	Amount	Rate per Tonne	Amount	Rate per Tonne
	18 931 918 tonnes		16 192 572 tonnes	
Sales value	$2,911,676,378	$153.797	$3,181,675,758	$196.490
Initial payments to producers	2,762,203,255	145.902	2,722,955,091	168.161
Gross Surplus	149,473,123	7.895	458,720,667	28.329
Deduct Operating Costs:				
Carrying charges:				
Country elevators	80,147,712	4.233	88,292,322	5.453
Terminal storage	27,039,928	1.428	28,079,232	1.734
Total Carrying Charges	107,187,640	5.661	116,371,554	7.187
Bank interest & net interest on other Board accounts	(2,674,500)	(.141)	12,300,778	.760
Demurrage	6,530,228	.345	(2,416,042)	(.149)
Additional freight - to terminals	8,087,425	.427	5,606,478	.346
- freight rate change	(126,518)	(.006)	(2,608,292)	(.161)
Handling & stop-off	508,282	.027	1,055,877	.065
Drying	23,113,388	1.221	767,681	.047
Interest and depreciation on Wheat Board hopper cars	10,681,214	.564	10,170,355	.628
Wheat Board administrative expenses	19,160,741	1.012	18,834,592	1.163
Total Operating Costs	172,467,900	9.110	160,082,981	9.886
Surplus (Deficit) on Operations	$(22,994,777)	$(1.215)	298,637,686	18.443
Add: Interest earned after September 30			7,590,715	.469
Deduct: Cost of issuing final payment			144,422	.009
Surplus for Distribution to Producers			$ 306,083,979	$ 18.903

Carrying Charges — $107,187,640

Total carrying charges incurred by the Board, including storage and interest charges on wheat in country elevators and storage on wheat in terminal elevators amounted to $107,187,640 or $5.661 per tonne.

Bank Interest and Net Interest on Other Board Accounts — ($2,674,500)

This consists mainly of bank interest and interest paid to or received from other Board accounts. Interest earned, exceeded interest paid by $2,674,500 or $.141 per tonne.

Additional Freight — to Terminals — $8,087,425
— Freight Rate Change — ($126,518)

During the crop year the Board paid $8,087,425 of additional freight arising out of the movement of grain in adverse direction.

With the abolition of the Crows Nest Pass Freight rate on December 31, 1983, freight rates are reviewed annually under the Western Grain Transportation Act. On August 1, 1986, freight rates declined by approximately $.02 per tonne and the Board collected the resulting freight saved on the country stocks held by its agents on August 1, 1986, amounting to $126,518 in the Wheat Account.

Drying Charges — $23,113,388

Drying charges for 1985-86 totaled $23,113,388, a very significant increase from the previous year, reflecting the substantial quantities of tough and damp grain delivered to the pool under review.

Interest and Depreciation on Wheat Board Hopper Cars — $10,681,214

Costs for the use of the Board's 2,000 hopper cars include depreciation and interest. Hopper car expenses attributable to the 1985-86 Wheat Account totaled $10,681,214 compared to $10,170,355 for the previous pool.

POOL ACCOUNT — AMBER DURUM WHEAT

Initial Payments

During the crop year the Board was authorized to purchase Amber Durum Wheat from producers at a fixed initial price of $160.00 per tonne for No. 1 Canada Western Amber Durum Wheat.

Supplies of Amber Durum Wheat

Supplies of Amber Durum Wheat in the 1985-86 Pool were 1 812 922 tonnes, comprised of 1 685 977 tonnes delivered by producers, 7 299 tonnes acquired from other than producers and 119 646 tonnes purchased from the previous pool.

Grade Pattern

Receipts of Nos. 1, 2 and 3 Canada Western Amber Durum totaled 1.414 million tonnes or 83.85 per cent of total producer deliveries. Approximately 19.09 per cent of producer deliveries graded tough while 2.29 per cent graded damp.

TABLE C

STATEMENT OF OPERATIONS AND SURPLUS FOR DISTRIBUTION TO PRODUCERS ON THE 1985-86 POOL ACCOUNT — AMBER DURUM WHEAT

For the period August 1, 1985 to October 31, 1986
with prior year figures for the 1984-85 Pool Account for comparison

Receipts from Producers	1985-86 Pool Account		1984-85 Pool Account	
	Amount	Rate per Tonne	Amount	Rate per Tonne
	1 685 977 tonnes		1 786 421 tonnes	
Sales value	$296,715,755	$175.990	$376,051,666	$210.506
Initial payments to producers	256,984,980	152.425	319,040,593	178.592
Gross Surplus	39,730,775	23.565	57,011,073	31.914
Deduct Operating Costs:				
Carrying charges:				
Country elevators	6,528,593	3.872	7,863,782	4.402
Terminal storage	2,763,732	1.639	4,096,695	2.293
Total Carrying Charges	9,292,325	5.511	11,960,477	6.695
Interest	(1,439,525)	(.854)	2,045,742	1.145
Demurrage	888,837	1.527	(1,748,659)	(.979)
Additional freight - to terminals	201,681	.119	239,158	.134
- freight rate changes	(1,024)	(.001)	(115,901)	(.065)
Handling & stop-off	916,763	.543	—	—
Drying	1,819,147	1.079	8,037	.005
Interest and depreciation on Wheat Board hopper cars	951,213	.564	1,122,027	.628
Wheat Board administrative expenses	1,634,638	.970	2,077,897	1.163
Total Operating Costs	14,264,055	8.460	15,588,778	8.726
Surplus on Operations	25,466,720	15.105	41,422,295	23.188
Add: Interest earned after October 31 (1984-85 September 30)	576,261	.342	1,052,864	.589
Deduct: Cost of issuing final payment	34,602	.021	26,164	.015
Surplus for Distribution to Producers	$ 26,008,379	$ 15.426	$ 42,448,995	$ 23.762

Final Statement of Operations and Surplus for Distribution to Producers — Amber Durum Wheat — Table C

Table C shows the operating results of the Pool Account for the crop year. Marketing operations resulted in a surplus of $25,466,720. Operating expenses totaled $14,264,055 for the year or $8.460 per tonne. The principal cost was carrying charges amounting to $9,292,325 or $5.511 per tonne. After allowing for the cost of issuing the final payment and estimated interest earnings subsequent to October 31, 1986, the net surplus for distribution to producers was $26,008,379. This represents an overall average of $15.426 per tonne on producer deliveries of 1 685 977 tonnes. Table D shows the total payment received by producers for the principal grades of Amber Durum Wheat delivered during the crop year. This table shows the total price realized by producers for No. 1 Canada Western Amber Durum Wheat of $181.302 per tonne, compared to $204.853 per tonne for the previous pool.

TABLE D

TOTAL PAYMENTS RECEIVED BY PRODUCERS FOR PRINCIPAL GRADES OF AMBER DURUM WHEAT BASIS IN STORE THUNDER BAY OR VANCOUVER

Grade	Initial Payments	Final Payments	Total
	(dollars per tonne)		
Amber Durum Wheat Grades			
No. 1 Canada Western Amber Durum	160.00	21.302	181.302
No. 2 Canada Western Amber Durum	157.21	19.092	176.302
No. 3 Canada Western Amber Durum	155.21	16.092	171.302
No. 4 Canada Western Amber Durum	139.21	.216	139.426
No. 5 Canada Western Amber Durum	121.00	—	121.000

POOL ACCOUNT — OATS

Commencing August 1, 1981, as authorized by Order-in-Council, oats selected and accepted from producers for use in processing and milling for human consumption has been set up in a separate pool under the caption "Designated Oats". As a result, the transactions described herein consist mainly of marketing results related to feeding grades of oats.

Initial Payments

During the crop year the Board was authorized to purchase oats from producers at a fixed initial price of $100.00 per tonne for No. 1 Feed Oats.

Grade Pattern

Deliveries of Nos. 1 and 2 Canada Western Oats comprised .16 per cent of producer deliveries with feeding grades constituting the remaining 99.84 per cent of total receipts. Board receipts of tough and damp oats made up 11.20 per cent of deliveries.

Final Statement of Operations — Oats — Table E

Table E shows the operating results of the Pool Account for the 1985 - 86 crop year. Marketing operations resulted in a deficit of $6,919,810 which is recoverable from the Government of Canada with funds provided by Parliament. The total payment realized by producers is therefore equal to the initial payments as shown in Table F. Operating expenses totaled $2,529,336 or $12.748 per tonne. The principal cost was carrying charges amounting to $1,595,882 or $8.043 per tonne.

TABLE E

STATEMENT OF OPERATIONS ON THE 1985-86 POOL ACCOUNT — OATS
For the period August 1, 1985 to November 30, 1986
with prior year figures for the 1984-85 Pool Account for comparison

Receipts from Producers	1985-86 Pool Account Amount (198 411 tonnes)	1985-86 Pool Account Rate per Tonne (198 411 tonnes)	1984-85 Pool Account Amount (54 639 tonnes)	1984-85 Pool Account Rate per Tonne (54 639 tonnes)
Sales value	$15,223,979	$76.729	$6,691,733	$122.472
Initial payments to producers	19,614,453	98.857	5,416,401	99.131
Gross Surplus (Deficit)	(4,390,474)	(22.128)	1,275,332	23.341
Deduct Operating Costs:				
Carrying charges:				
Country elevators	1,056,922	5.327	285,692	5.229
Terminal storage	538,960	2.716	194,177	3.554
Total Carrying Charges	1,595,882	8.043	479,869	8.783
Interest	236,658	1.193	3,410	.062
Demurrage	37,344	.188	—	—
Additional freight - to terminals	147,068	.741	98,106	1.796
- freight rate changes	17,206	.087	(84,660)	(1.550)
Drying Charges	171,454	.864	—	—
Interest & depreciation on Wheat Board hopper cars	111,942	.564	34,318	.628
Wheat Board administrative expenses	211,782	1.068	68,867	1.260
Total Operating Costs	2,529,336	12.748	599,910	10.979
Surplus (Deficit) on Operations	$(6,919,810)	$(34.876)	675,422	12.362
Add: Interest earned after November 15			17,168	.314
Deduct: Cost of issuing final payment			4,218	.077
Surplus for Distribution to Producers			$ 688,372	$ 12.599

TABLE F

PAYMENT RECEIVED BY PRODUCERS FOR PRINCIPAL GRADES OF OATS BASIS IN STORE THUNDER BAY OR VANCOUVER

Grade	Initial Payments (dollars per tonne)
Oats Grades	
No. 1 Canada Western	106.00
No. 2 Canada Western	104.00
Extra No. 1 Feed	102.00
No. 1 Feed	100.00
No. 2 Feed	95.92

POOL ACCOUNT — DESIGNATED OATS

Beginning with the crop year commencing on August 1, 1981, oats that have been delivered to the Board to be sold by the Board to purchasers who have selected and accepted the oats for use in processing and milling for human consumption, have been set up in a separate account. This account has been labeled "Designated Oats" and the results of operations on this account with comment thereon are contained in this section of the report.

Initial Payments

During the crop year the Board was authorized to purchase Designated Oats from producers at fixed initial prices of $130.00 and $128.00 per tonne for Nos. 1 and 2 Canada Western Oats respectively and $124.00 per tonne for No. 1 Feed Oats.

Supplies and Grade Pattern

Supplies of oats in the designated pool were 36 714 tonnes representing deliveries to the Board by producers during the crop year of oats which were selected and accepted by purchasers for use in processing and milling for human consumption. Receipts of Nos. 1 and 2 Canada Western Oats totaled 21 064 tonnes or 57.37 per cent of total deliveries. Feeding grades totaled 15 650 tonnes or 42.63 per cent of total receipts.

Final Statement of Operations and Surplus for Distribution to Producers — Designated Oats — Table G

Table G shows the operating results of this pool account for the crop year. Marketing operations resulted in a surplus of $635,944. As to operating costs, it should be noted that the Designated Oats Pool, by its very nature, does not incur the handling expenses normally related to feeding grades of oats. It is not stored by the Board, being selected by the purchaser and shipped at his request from farm to processing plant via the country elevator. As a result, the only expenses incurred attributable to such oats were costs related to hopper cars owned by the Wheat Board and administrative charges totaling $56,310 or $1.534 per tonne. These expenses were more than offset by interest earnings of $67,518 or $1.839 per tonne on the accumulating surplus in the pool. After providing for the cost of issuing the final payment and adding estimated interest earnings subsequent to October 31, 1986, the net surplus for distribution to producers was $649,496 or $17.691 per tonne on producer deliveries of 36 714 tonnes. Table H shows the total payment received by producers for the principal grades of Designated Oats delivered during the crop year.

TABLE G

STATEMENT OF OPERATIONS AND SURPLUS FOR DISTRIBUTION TO PRODUCERS ON THE 1985-86 POOL ACCOUNT — DESIGNATED OATS

For the period August 1, 1985 to October 31, 1986
with prior year figures for the 1984-85 Pool Account for comparison

Receipts from Producers	1985-86 Pool Account		1984-85 Pool Account	
	Amount	Rate per Tonne	Amount	Rate per Tonne
	36 714 tonnes		44 219 tonnes	
Sales value	$5,269,109	$143.518	$6,858,685	$155.108
Initial Payments to producers	4,644,373	126.502	6,061,679	137.084
Gross Surplus	624,736	17.016	797,006	18.024
Deduct Operating Costs:				
Interest and bank charges	(67,518)	(1.839)	(95,397)	(2.157)
Interest & depreciation on Wheat Board hopper cars	20,714	.564	27,773	.628
Wheat Board administrative expenses	35,596	.970	51,434	1.163
Total Operating Costs	(11,208)	(.305)	(16,190)	(.366)
Surplus on Operations	635,944	17.321	813,196	18.390
Add: Interest earned after October 31 (1984-85 September 30)	14,390	.392	20,670	.468
Deduct: Cost of issuing final payment	838	.022	664	.015
Surplus for Distribution to Producers	$ 649,496	$ 17.691	$ 833,202	$ 18.843

TABLE H

TOTAL PAYMENTS RECEIVED BY PRODUCERS FOR PRINCIPAL GRADES OF DESIGNATED OATS BASIS IN STORE THUNDER BAY OR VANCOUVER

Grade	Initial Payments	Final Payments	Total
	(dollars per tonne)		
Oats Grades			
No. 1 Canada Western	130.00	20.249	150.249
No. 2 Canada Western	128.00	20.249	148.249
Extra No. 1 Feed	126.00	15.749	141.749
No. 1 Feed	124.00	13.749	137.749

POOL ACCOUNT — BARLEY

Since August 1, 1975, as authorized by Order-in-Council, barley selected and accepted from producers for the use of malting, pot or pearling, has been set up in a separate pool under the caption "Designated Barley". As a result, the transactions remaining in the Barley Pool Account described here consist mainly of marketing results related to feeding grades of barley.

Initial Payments

At the beginning of the crop year the Board was authorized to purchase barley from producers at a fixed initial price of $110.00 per tonne for No. 1 Feed Barley.

Supplies and Grade Pattern

Supplies in the regular Feed Barley pool were 5 446 720 tonnes comprised of 4 947 005 tonnes delivered by producers, 18 862 tonnes acquired from other than producers and 480 853 tonnes purchased from the previous pool. Deliveries of Nos. 1 and 2 Feed Barley comprised 93.23 per cent of the producer deliveries in the pool. Board receipts of tough and damp barley made up 4.40 per cent of deliveries.

Final Statement of Operations — Barley — Table I

Table I shows the operating results of the Pool Account for the crop year. Marketing operations resulted in a deficit of $171,370,689 which is recoverable from the Government of Canada with funds provided by Parliament. The total payment realized by producers is therefore equal to the initial payments as shown in Table J. Operating expenses totaled $38,734,279 for the year or $7.830 per tonne. The principal cost was carrying charges amounting to $14,579,769 or $2.947 per tonne.

TABLE J

PAYMENT RECEIVED BY PRODUCERS FOR PRINCIPAL GRADES OF BARLEY BASIS IN STORE THUNDER BAY OR VANCOUVER

Grade	Initial Payments (dollars per tonne)
Barley Grades	
No. 1 Canada Western Six-Row	112.93
No. 2 Canada Western Six-Row	111.93
No. 2 Canada Western Two-Row	111.93
No. 1 Feed	110.00
No. 2 Feed	107.43

POOL ACCOUNT — DESIGNATED BARLEY

As stated previously, since August 1, 1975, barley that has been delivered to the Board to be sold by the Board to purchasers who have selected and accepted the barley for the use of malting, pot

TABLE I

STATEMENT OF OPERATIONS ON THE 1985-86 POOL ACCOUNT — BARLEY
For the period August 1, 1985 to October 31, 1986
with prior year figures for the 1984-85 Pool Account for comparison

	1985-86 Pool Account		1984-85 Pool Account	
	Amount	Rate per Tonne	Amount	Rate per Tonne
Receipts from Producers	4 947 005 tonnes		3 068 472 tonnes	
Sales value	$406,487,805	$ 82.169	$414,730,903	$135.159
Initial payments to producers	539,124,215	108.980	382,262,408	124.578
Gross Surplus (Deficit)	(132,636,410)	(26.811)	32,468,495	10.581
Deduct Operating Costs:				
Carrying charges:				
Country elevators	10,622,501	2.147	4,724,253	1.540
Terminal storage	3,957,268	.800	3,356,581	1.094
Total Carrying Charges	14,579,769	2.947	8,080,834	2.634
Interest	5,593,975	1.131	(1,306,516)	(.426)
Demurrage	975,328	.197	(449,348)	(.147)
Additional freight - to terminals	2,165,184	.438	1,897,338	.618
- freight rate changes	19,309	.004	(893,639)	(.291)
Handling and stop-off	1,703,300	.344	(52,098)	(.017)
Drying	6,109,994	1.235	628,571	.205
Interest & depreciation on Wheat Board hopper cars	2,791,055	.564	1,927,267	.628
Wheat Board administrative expenses	4,796,365	.970	3,569,130	1.163
Total Operating Costs	38,734,279	7.830	13,401,539	4.367
Surplus (Deficit) on Operations	$(171,370,689)	$ (34.641)	19,066,956	6.214
Add: Interest earned after September 30			484,640	.158
Deduct: Cost of issuing final payment			53,892	.018
Surplus for Distribution to Producers			$ 19,497,704	$ 6.354

or pearling, has been set up in a separate pool account. This account has been labeled "Designated Barley" and the results of operations on this account with comment thereon are contained in this section of the report.

Initial Payments

At the beginning of the crop year the Board was authorized to purchase Designated Barley from producers at a fixed initial price of $155.00 per tonne for No. 2 Canada Western Six-Row and $165.00 per tonne for No. 2 Canada Western Two-Row.

Supplies and Grade Pattern

Supplies of barley in the designated pool were 645 255 tonnes representing deliveries to the Board by producers during the crop year of barley which has been selected and accepted by purchasers for the use of malting, pot or pearling. Of these receipts, 342 421 tonnes or 53.07 per cent were row grades and 302 834 tonnes or 46.93 per cent were feeding grades. Receipts of tough and damp grades totaled 46 921 tonnes or 7.27 per cent of total.

Final Statement of Operations and Surplus for Distribution to Producers — Designated Barley — Table K

Table K shows the operating results of this pool account for the crop year. Marketing operations resulted in a surplus of $21,213,932. As to operating costs, it should be noted that the Designated Barley Pool by its very nature does not incur the handling expenses normally related to feeding grades of barley or other grains. It is not stored by the Board, being selected by the processor (buyer) from a producer's sample and is shipped on buyer's call directly from farm to processing plant via the country elevator. As a result the only expenses incurred attributable to such barley were costs related to hopper cars owned by the Wheat Board and administrative charges totaling $989,653 or $1.534 per tonne. These expenses were more than offset by interest earnings of $2,036,919 or $3.157 per tonne on the accumulating surplus in the pool. After allowing for the cost of issuing the final payment and estimated interest earnings subsequent to October 31, 1986, the net surplus for distribution to producers was $21,683,836 or $33.605 per tonne on producer deliveries of 645 255 tonnes. This is compared to $25,284,020 or $35.501 per tonne for the previous year. Table L shows the total payment received by producers for the principal grades of Designated Barley. The final return to producers for deliveries of No. 2 Canada Western Six-Row and No. 2 Canada Western Two-Row was $183.395 and $203.395 respectively, compared to $188.937 and $199.401 for these two grades respectively in the previous pool.

TABLE L

TOTAL PAYMENTS RECEIVED BY PRODUCERS FOR PRINCIPAL GRADES OF DESIGNATED BARLEY BASIS IN STORE THUNDER BAY OR VANCOUVER

Grade	Initial Payments	Final Payments	Total
	(dollars per tonne)		
Designated Barley Grades			
No. 1 Canada Western Six-Row	156.27	28.125	184.395
No. 2 Canada Western Six-Row	155.00	28.395	183.395
No. 1 Canada Western Two-Row	166.27	38.125	204.395
No. 2 Canada Western Two-Row	165.00	38.395	203.395
No. 1 Feed Six-Row	151.77	29.125	180.895
No. 1 Feed Two-Row	161.77	39.125	200.895
No. 2 Feed Six-Row	149.77	27.725	177.495
No. 2 Feed Two-Row	159.77	37.725	197.495

TABLE K

STATEMENT OF OPERATIONS AND SURPLUS FOR DISTRIBUTION TO PRODUCERS ON THE 1985-86 POOL ACCOUNT — DESIGNATED BARLEY

For the period August 1, 1985 to October 31, 1986
with prior year figures for the 1984-85 Pool Account for comparison

	1985-86 Pool Account		1984-85 Pool Account	
	Amount	Rate per Tonne	Amount	Rate per Tonne
Receipts from Producers	645 255 tonnes		712 195 tonnes	
Sales value	$121,925,659	$188.957	$135,116,236	$189.718
Initial payments to producers	101,758,993	157.703	111,703,201	156.844
Gross Surplus	20,166,666	31.254	23,413,035	32.874
Deduct Operating Costs:				
Interest	(2,036,919)	(3.157)	(2,527,411)	(3.549)
Interest & depreciation on Wheat Board hopper cars	364,047	.564	447,320	.628
Wheat Board administrative expenses	625,606	.970	828,398	1.163
Total Operating Costs	(1,047,266)	(1.623)	(1,251,693)	(1.758)
Surplus on Operations	21,213,932	32.877	24,664,728	34.632
Add: Interest earned after October 31 (1984-85 September 30)	480,029	.744	626,923	.880
Deduct: Cost of issuing final payment	10,125	.016	7,631	.011
Surplus for Distribution to Producers	$ 21,683,836	$ 33.605	$ 25,284,020	$ 35.501